

## Old Age, Disability, Death

First law: 1955.

Current law: 1982.

Type of program: Social insurance system.

**Exchange rate:** U.S.\$1.00 equals 11.11 cordobas.

### Coverage

All persons receiving remuneration for work or services rendered.

Exclusions: domestic workers and members of the Armed Forces.

Voluntary affiliation for self-employed, workers previously covered, clergy, employers, ranchers and family members working for family-owned companies who are not paid.

Special system for miners, indigents and those who have performed services for the country. (Government assumes whole cost.)

### Source of Funds

**Insured person:** 1.75% of earnings.

**Employer:** 3.50% of payroll.

**Government:** 0.25% of earnings (plus employer contribution for public employees).

No ceiling on earnings for contribution purposes.

Also finances family allowances.

### Qualifying Conditions

**Old-age pension:** Age 60. Age 55 for miners, teachers and the physically or mentally impaired. 750 weeks of contribution. If entry is after age 45, contributions for half of weeks from initial coverage until retirement age, with minimum of 250 weeks.

**Disability pension:** Loss of 67% of earning capacity in similar occupation (total disability); inability to earn more than 50% but less than 67% of usual earnings (partial disability). 150 weeks of contribution in last 6 years.

**Survivor pension:** 150 weeks of contribution by deceased in last 6 years. For funeral grant, 4 weeks in last 26 weeks preceding death.

### Old-Age Benefits

**Old-age pension:** 40% (45% if less than twice minimum wage) of average earnings during last 5, 4, or 3 years (based on contributions of 15, 20, or 25 years) plus 1.365% (1.591% if average earnings are less than twice minimum wage) for each 50 weeks of contributions. An additional 1% of earnings is added for each year of work after age 60, up to a maximum of 5%.

Dependents' supplements: 15% of pension for wife or companion; 10% each for children under age 15 (21 if student, no limit if disabled); 10% for uninsured parents over age 60 or disabled.

Maximum pension: 80% of earnings if more than 2 times the minimum salary; no limit if less than 2 times the minimum salary. 100% with dependents. Minimum benefit: 66-2/3% minimum salary in worker's employment group plus family allowances.

Adjustment: Periodic adjustment of benefits for wage changes, if financial conditions permit.

### Permanent Disability Benefits

**Disability pension:** Same as old-age benefit.

Disability pension converted to old-age pension at age 60. If ineligible for latter, partial disability pension is increased to total

disability benefit at age 60 on condition beneficiary retires from all covered activity.

Constant attendance allowance: 20% of total disability pension.

Dependents' supplements: Same as old-age benefit.

Partial disability: 50% of total disability pension. Dependents also qualify for supplements at half the rate for total disability. Maximum partial pension: 40% of average earnings.

Maximum pension, minimum salary in worker's employment group.

Adjustment: Periodic adjustment of pensions for wage changes, if financial conditions permit.

### Survivor Benefits

**Survivor pension:** 50% of pension of insured, payable to widow age 45 or disabled; also payable to dependent disabled widower. Payable to widow under age 45 for 2 years or as long as caring for children receiving orphans' pensions.

Orphans: 25% of pension of insured for each orphan under age 15 (21 if student, no limit if disabled), or 50% if full orphan.

Maximum survivor pensions: 100% of pension of insured.

Funeral grant: Cost of funeral service, or amount equal to one half monthly salary.

Adjustment: Periodic adjustment of pensions for wage changes, if financial conditions permit.

### Administrative Organization

Nicaraguan Institute of Social Security, administration of program; managed by technical council.

## Sickness and Maternity

First law: 1955.

Current law: 1982 (National Health Service).

Type of program: Dual social insurance (cash benefits) and universal (medical care) systems.

### Coverage

**Cash benefits:** All persons receiving remuneration for work or services rendered. Exclusions: domestic workers and members of the Armed Forces.

Voluntary affiliation for self-employed, workers previously covered, clergy, employers, ranchers and family members working for family-owned companies who are not paid.

**Medical benefits:** Insured and dependents (including maternity benefits for pregnant wife and children up to age 6).

### Source of Funds

**Insured person:** 2.25% of earnings.

**Employer:** 6% of payroll.

**Government:** 0.25% of earnings (plus employer contributions for public employees).

### Qualifying Conditions

**Cash sickness benefits:** 8 weeks of contribution in last 22 weeks.

**Cash maternity benefits:** 16 weeks of contribution in 39 weeks prior to the birth.

**Medical benefits:** 4 weeks of contributions.

### Sickness and Maternity Benefits

**Sickness benefit:** 60% of average earnings in last 8 weeks. Payable after 3-day waiting period for up to 52 weeks. Payable from the 1st day of incapacity if hospitalized. Covered worker with 8 weekly contributions in the last 22 weeks who becomes unemployed also covered for sickness and maternity.

**Maternity benefit:** 60% of earnings in last 8 weeks, according to 8 wage classes. Payable for 4 weeks before and 8 weeks after confinement only to insured women.

Nursing allowance: 45 pounds of milk during the 1st 6 months of life.

### Workers' Medical Benefits

**Medical benefits:** Medical services provided directly to patients depending on available resources. Duration: No time limit.

### Dependents' Medical Benefits

**Medical benefits for dependents:** Same as for insured through the Ministry of Health's National Health System. Wife of insured receives pre and post-natal care; children, up to 6 years old.

### Administrative Organization

Nicaraguan Institute of Social Security, administration of program.

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## Work Injury

First law: 1945 (labor code).

Current law: 1982.

Type of program: Social insurance system.

### Coverage

All persons receiving remuneration for work or services rendered.

### Source of Funds

**Insured person:** None.

**Employer:** 1.5% of payroll.

**Government:** None (except as employer).

No ceiling on earnings for contribution purposes.

### Qualifying Conditions

**Work-injury benefits:** No minimum qualifying period.

### Temporary Disability Benefits

**Temporary disability benefit:** 60% of earnings in last 8 weeks of contributions. Payable from first day after injury until medical care terminates or until worker is declared permanently disabled. (Employer pays for day of injury.)

### Permanent Disability Benefits

**Permanent disability pension:** 60% of earnings if insured has dependents; 50% if no dependents.

Partial disability: Percent of full pension proportionate to degree of incapacity.

### Workers' Medical Benefits

**Medical benefits:** Benefits provided in accordance with available resources.

### Survivor Benefits

**Survivor pension:** 50% of pension of insured. Payable to widow or dependent disabled widower.

Orphans: 25% of pension of insured for each orphan under age 15 (21 if student, no limit if disabled) or 50% if full orphan. In case of no orphans, payable to other dependent survivors.

Funeral grant: Cost of funeral service.

### Administrative Organization

Nicaraguan Institute of Social Security, administration of program.

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## Family Allowances

First and current law: 1982.

Type of program: Social insurance system.

### Coverage

Same as for old age.

### Source of Funds

**Insured person:** See Old Age, Disability, Death, above.

**Employer:** Same.

**Government:** Same.

### Qualifying Conditions

Earnings-tested. Child must be under 15 years of age (21 if student).

### Family Allowance Benefits

Allowances vary by level of earnings and age of children.

### Administrative Organization

Nicaraguan Institute of Social Security, administration of the program.